


Randal S. Mashburn
U.S. Bankruptcy Judge

Dated: 1/26/2018



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

IN RE:

VANGUARD HEALTHCARE, LLC, *et al.*,¹ } Chapter 11
Debtors. } Case No. 16-03296
 } Judge Mashburn
 } Jointly Administrated
 }
 } Hearing: Jan. 23, 2018
 }

**AGREED ORDER REGARDING DEBTORS' SIXTH OMNIBUS OBJECTION TO
PROOFS OF CLAIM TO REDUCE CLAIMS THAT HAVE BEEN PARTIALLY
SATISFIED**

This matter came before the Court upon the *Debtors' Sixth Omnibus Objection to Proofs of Claim to Reduce Claims That Have Been Partially Satisfied* (the "Objection") (Docket No. 2196),² and the responses thereto filed by Donald Powell, as Next Friend of Mary Powell, an incapacitated person; Grace Morris, Surviving Spouse and Administrator ad Litem of Estate of Walter E. Morris, Jr., Deceased, and on behalf of the wrongful death beneficiaries of Walter E. Morris, Jr.; Jimmy Arnold, Jerry Arnold, Marilyn Lewis, as Next of Kin of Eleanor H. Arnold; and Catherine B. Taylor, Administrator as Litem of Estate of Ronald Wesley Prentice, Deceased, and on behalf of the wrongful death beneficiaries of Ronald Wesley Prentice (hereinafter referred

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Vanguard Healthcare, LLC (9650); Vanguard Healthcare Services, LLC (7563); Vanguard Financial Services, LLC (3403); Aurora Australis, LLC (7099); Boulevard Terrace, LLC (8709); Elderscript Services, LLC (4179); Eldercare of Jackson County, LLC (7855); Glen Oaks, LLC (8238); Palace RBS, LLC (9601); Shady Lawn, LLC (7397); Vanguard of Ashland, LLC (8367); Vanguard of Church Hill, LLC (1049); Vanguard of Crestview, LLC (1046); Vanguard of Manchester, LLC (6203); Vanguard of Memphis, LLC (4623); Vanguard of Ripley, LLC (1050); Vicksburg Convalescent, LLC (7298); and Whitehall OpCo, LLC (6186).

² Unless otherwise defined, all capitalized terms shall have the meanings provided in the Objection.

to collectively as “Claimants”)(Docket Nos. 2259, 2260, 2262, and 2261). Upon the agreement of Debtors and Claimants, it is

ORDERED as follows:

1. The Objection is GRANTED in part.
2. The Claimants identified on Schedule 1 hereto shall have an allowed claim against each individual Debtor as listed on Schedule 1, attached hereto and incorporated herein, in the amount of the Reduced Amount listed on Schedule 1. Each such claim is an amount that exceeds the Debtors' available policy limits from BHC-LTC Insurance Ltd. that shall be included as a Class 4 Claim under the Fourth Amended Joint Plan of Reorganization (the “Joint Plan”) [Docket No. 2090] to the extent the applicable Debtor is covered by the Joint Plan. For the avoidance of doubt, each Claimant has an allowed claim against each applicable Debtor in the Reduced Amount listed on Schedule 1 that shall be satisfied in full under either the terms of the Joint Plan and/or plan of liquidation approved by the Court in the Chapter 11 case of Vanguard of Crestview, LLC, or the case of any other Debtor, provided there will only be one satisfaction of any Reduced Amount that may be satisfied by either Debtor. Claims against Debtors participating in the Joint Plan shall be satisfied in full under the terms of the Joint Plan, provided any amount owed under the Joint Plan will be reduced by any distribution paid to the Claimant in a plan of liquidation approved by the Court in the Chapter 11 case of Vanguard of Crestview, LLC, or the case of any other Debtor. Claimants subject to distribution in a plan of liquidation approved by the Court in the Chapter 11 case of Vanguard of Crestview, LLC, or the case of any other Debtor, however, shall continue to receive distributions as set forth in the Joint Plan for Class 4 claims except as reduced by any distributions made from any plan of liquidation.

3. The Debtors' partial objection to each Reduced Claim addressed in the Objection constitutes a separate contested matter as contemplated by Fed. R. Bankr. P. 9014. This Order shall be deemed a separate Order with respect to each Reduced Claim. Any stay of this Order pending appeal by any of the claimants subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters covered hereby.

4. The Debtors' rights are reserved to file future objections to claims asserted in proofs of claim that have been or may subsequently be filed in the Chapter 11 cases, or claims that may be listed on the Debtors' schedules, on the grounds set forth in the Objection or any other appropriate grounds under applicable law.

5. Without limiting the foregoing, the Debtors shall retain and shall have the right to object in the future to any of the proofs of claim listed on Schedule 1 hereto on any additional or supplemental grounds, to object in the future to any other proof of claim filed by any claimant whose claim is a Reduced Claim, and both Debtors and Claimants shall retain and have the right to seek to amend, modify, and/or supplement this Order as may be necessary regarding any subsequent objection

6. The Objection and this Order are without limitation or waiver of the Debtors' rights to reduce the amount of any claims pursuant to section 6.03 of the Plan, or any other relevant provisions of the Plan.

7. The Court shall retain jurisdiction over the Debtors and any claimant whose claim is a Reduced Claim with respect to any matters related to or arising from the Objection or the implementation of this Order.

8. The Debtors are authorized and empowered to execute and deliver such documents, and to take and perform all actions necessary to implement and effectuate the relief granted in this Order.

9. The Debtors' noticing agent, BMC Group, is hereby directed to serve this Order on the claimants identified in Schedule 1.

THIS ORDER WAS SIGNED AND ENTERED ELECTRONICALLY AS INDICATED AT THE TOP OF THE FIRST PAGE

APPROVED FOR ENTRY:

/s/ William L. Norton, III
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SCHEDULE 1

Claimant	Claim No.	Case No.	Debtor	Claim Amount	Reduced Amount
Grace Morris, Surviving Spouse and Administrator ad Litem of Estate of Walter E. Morris, Jr., Deceased and on behalf of the wrongful death beneficiaries of Walter E. Morris, Jr.	99	16-03296	Vanguard Healthcare, LLC	\$198,000	\$66,000
	20	16-03297	Vanguard Healthcare Services, LLC	\$198,000	\$66,000
	12	16-03298	Vanguard Financial Services, LLC	\$198,000	\$66,000
	16	16-03316	Vanguard of Crestview, LLC	\$198,000	\$66,000
Catherine B. Taylor, Administrator ad Litem of Estate of Ronald Wesley Prentice, Deceased, and on behalf of the wrongful death beneficiaries of Ronald Wesley Prentice	107	16-03296	Vanguard Healthcare, LLC	\$198,000	\$66,000
	24	16-03297	Vanguard Healthcare Services, LLC	\$198,000	\$66,000
	15	16-03298	Vanguard Financial Services, LLC	\$198,000	\$66,000
Jimmy Arnold, next of kin of Eleanor H. Arnold and on behalf of the wrongful death beneficiaries of Eleanor H. Arnold (including Jerry Arnold and Marilyn Lewis	10	16-03306	Elderscript Services, LLC	\$92,999.97	\$10,333.24
	14	16-03310	Glen Oaks, LLC	\$92,999.97	\$10,333.24
	87	16-03296	Vanguard Healthcare, LLC	\$92,999.97	\$10,333.24
	17	16-03297	Vanguard Healthcare Services, LLC	\$92,999.97	\$10,333.24

	18	16-03297	Vanguard Healthcare Services, LLC	\$92,999.97	\$10,333.24
	9	16-03298	Vanguard Financial Services, LLC	\$92,999.97	\$10,333.24
Donald Powell, as Next Friend of Mary Powell, an Incapacitated Person	13	16-03306	Elderscript Services, LLC	\$105,000.04	\$19,644.31
	15	16-03310	Glen Oaks, LLC	\$105,000.04	\$19,644.31
	106	16-03296	Vanguard Healthcare, LLC	\$105,000.04	\$19,644.31
	23	16-03297	Vanguard Healthcare Services, LLC	\$105,000.04	\$19,644.31
	14	16-03298	Vanguard Financial Services, LLC	\$105,000.04	\$19,644.31